

**SABINE PARISH FIRE PROTECTION DISTRICT NO. 1
WARDS NO. 1 AND 2
FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2014**



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EUGENE W. FREMAUX II

CERTIFIED PUBLIC ACCOUNTANT

SABINE PARISH FIRE PROTECTION DISTRICT NO. 1, WARDS NO. 1 AND 2
FLORIEN, LOUISIANA
DECEMBER 31, 2014

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INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2
Florien, Louisiana

We have audited the accompanying financial statements of the governmental activities and the major fund of the Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2, a component unit of the Sabine Parish Police Jury, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2 as of December 31, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 4 and page 17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of



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preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sabine Parish Tourist and Recreation Commission's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The other supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling information directly to the underlying accounting records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2015 on our consideration of Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2's internal control over financial reporting and our tests on its compliance with certain provision of laws, regulations, contracts and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



EUGENE W. FREMAUX II, CPA

June 29, 2015

SABINE PARISH FIRE PROTECTION DISTRICT NO. 1, WARDS NO. 1 AND 2
FLORIEN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014

This section of the District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended December 31, 2014. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The District's net position increased \$153,908 to \$1,230,086 during the year.
Net position increased because of excess revenues over operating expenses.
Expenses for the year amounted to \$328,738, an increase of \$38,481.
The District's debt of \$115,000 at December 31, 2013 was retired in 2014.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three parts:

Management's discussion and analysis
Basic financial statements
Supplementary information

The basic financial statements include two kinds of statements that present different views of the District:

The first two statements are government-wide financial statements that provide both long-term and short-term information about the District's overall financial status.
The remaining statements are fund financial statements that focus on individual parts of the District's operations in more detail than the government-wide statements. The District has only one fund, the general fund.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Condensed Statement of Net Position

| | December 31, 2014 | December 31, 2013 |
|------------------------------------|---------------------|---------------------|
| Current and other assets | \$ 611,195 | \$ 655,781 |
| Capital assets, net | <u>636,422</u> | <u>669,678</u> |
| Total Assets | <u>\$ 1,247,617</u> | <u>\$ 1,325,459</u> |
| Current and other liabilities | \$ 17,531 | \$ 134,281 |
| Long-term debt | - | 115,000 |
| Net Position | | |
| Invested in capital assets | 636,422 | 669,678 |
| Unrestricted | <u>593,664</u> | <u>406,500</u> |
| Total net position | <u>1,230,086</u> | <u>1,076,178</u> |
| Total liabilities and net position | <u>\$ 1,247,617</u> | <u>\$ 1,325,459</u> |

The District's net position increased \$153,908 during the year, due to revenues exceeding expenses.

SABINE PARISH FIRE PROTECTION DISTRICT NO. 1, WARDS NO. 1 AND 2
FLORIEN, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014

Condensed Statement of Activities

| | Year Ended | |
|------------------------|-------------------|-------------------|
| | December 31, 2014 | December 31, 2013 |
| Expenses | \$ (328,738) | \$ (290,257) |
| Capital grants | - | 158,920 |
| Subtotal | <u>(328,738)</u> | <u>(131,337)</u> |
| General revenues | <u>482,646</u> | <u>430,932</u> |
| Change in net position | <u>\$ 153,908</u> | <u>\$ 299,595</u> |

During 2014, capital grant revenues decreased by \$158,920 due to grants obtained in 2013 for radio equipment and a truck. In addition, expenses increased by \$38,481.

FINANCIAL ANALYSIS OF THE FUNDS

The District's governmental fund balance increased \$70,751 during the year. Expenses decreased by \$107,030 to \$411,895, primarily due to decreased capital outlay for trucks and equipment. Total revenues decreased by \$107,205 to \$482,646, primarily due to the above grants. Capital expenditures are expensed in the general fund financial statements, but are capitalized and depreciated in the government-wide financial statements.

CAPITAL ASSETS

The following amounts were added to capital assets::

| | December 31, 2014 | December 31, 2013 |
|----------------------|-------------------|-------------------|
| Capital assets added | <u>\$ 93,205</u> | <u>\$ 283,823</u> |

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The District does not expect any significant changes in revenues or expenses for next year.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mr. Carroll Ellzey, President, P O Box 38, Florien, LA 71429.

SABINE PARISH FIRE PROTECTION DISTRICT NO. 1, WARDS NO. 1 AND 2
 FLORIEN, LOUISIANA
 STATEMENT OF NET POSITION

December 31, 2014

| | |
|---|--------------------------------|
| ASSETS | |
| Cash | \$ 171,267 |
| Receivables | 423,576 |
| Prepaid expenses | 16,017 |
| Capital assets, net of accumulated depreciation | 636,422 |
| Deposits | <u>335</u> |
| TOTAL ASSETS | <u>1,247,617</u> |
| LIABILITIES | |
| Accounts payable | 17,531 |
| Interest payable | - |
| Long-term liabilities: | |
| Certificates of indebtedness | |
| Due within one year | - |
| Due in more than one year | <u>-</u> |
| TOTAL LIABILITIES | <u>17,531</u> |
| NET POSITION | |
| Invested in capital assets | 636,422 |
| Unrestricted | <u>593,664</u> |
| TOTAL NET POSITION | <u><u>\$ 1,230,086</u></u> |

The accompanying notes are an integral part of these statements.

SABINE PARISH FIRE PROTECTION DISTRICT NO. 1, WARDS NO. 1 AND 2
 FLORIEN, LOUISIANA
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2014

| | Expenses | Capital Grants and Contributions | Net (Expenses) Revenue and changes in net position Governmental Unit |
|---------------------------------|-------------------|--|---|
| FUNCTIONS/PROGRAMS | | | |
| Governmental activities: | | | |
| General government | <u>\$ 328,738</u> | <u>\$ -</u> | <u>\$ (328,738)</u> |
| Total governmental activities | <u>328,738</u> | <u>-</u> | <u>(328,738)</u> |
| General revenues: | | | |
| Taxes | | | 430,713 |
| State revenue sharing | | | 23,979 |
| Interest | | | 54 |
| Other | | | <u>27,900</u> |
| Total general revenues | | | <u>482,646</u> |
| Change in net position | | | 153,908 |
| Net position, beginning of year | | | <u>1,076,178</u> |
| Net position, end of year | | | <u><u>\$ 1,230,086</u></u> |

The accompanying notes are an integral part of these statements.

SABINE PARISH FIRE PROTECTION DISTRICT NO. 1, WARDS NO. 1 AND 2
FLORIEN, LOUISIANA
GOVERNMENTAL FUNDS
BALANCE SHEET
December 31, 2014

ASSETS

| | |
|------------------|-------------------|
| Cash | \$ 171,267 |
| Receivables | 423,576 |
| Prepaid expenses | 16,017 |
| Deposits | <u>335</u> |
| Total assets | <u>\$ 611,195</u> |

LIABILITIES AND FUND BALANCE

Liabilities

| | |
|-------------------|------------------|
| Accounts payable | <u>\$ 17,531</u> |
| Total liabilities | <u>17,531</u> |

Fund balance:

| | |
|-------------------------------|----------------|
| Nonspendable-prepaid expenses | 16,017 |
| Unassigned | <u>577,647</u> |
| Total fund balance | <u>593,664</u> |

| | |
|------------------------------------|-------------------|
| Total liabilities and fund balance | <u>\$ 611,195</u> |
|------------------------------------|-------------------|

The accompanying notes are an integral part of these statements.

SABINE PARISH FIRE PROTECTION DISTRICT NO. 1, WARDS NO. 1 AND 2

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS

December 31, 2014

| | | |
|---|--------------------|----------------------------|
| Total fund balances - Governmental Funds | | \$ 593,664 |
| Loss on disposition of capital asset not reported in the government fund | (6,000) | |
| Cost of capital assets at December 31, 2014 | 2,088,951 | |
| Less accumulated depreciation at December 31, 2014 | <u>(1,446,529)</u> | <u>636,422</u> |
| Total net position at December 31, 2014 - Governmental Activities | | <u><u>\$ 1,230,086</u></u> |

The accompanying notes are an integral part of these statements.

SABINE PARISH FIRE PROTECTION DISTRICT NO. 1, WARDS NO. 1 AND 2
 FLORIEN, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE -
 GOVERNMENTAL FUND
 GENERAL FUND
 Year ended December 31, 2014

| | |
|---|--------------------------|
| Revenues: | |
| Taxes | \$ 430,713 |
| State revenue sharing | 23,979 |
| Grants | - |
| Interest income | 54 |
| Other | <u>27,900</u> |
| Total revenues | <u>482,646</u> |
| Expenditures: | |
| General government: | |
| Personnel costs | 40,330 |
| Occupancy | 40,009 |
| Insurance | 43,121 |
| Operating services | 75,422 |
| Debt service | |
| Principal | 115,000 |
| Interest | 4,808 |
| Capital outlay | <u>93,205</u> |
| Total general government | <u>411,895</u> |
| Excess (deficiency) of revenues over expenditures | 70,751 |
| Fund balance, beginning of year | <u>522,913</u> |
| Fund balance, end of year | <u><u>\$ 593,664</u></u> |

The accompanying notes are an integral part of these statements.

SABINE PARISH FIRE PROTECTION DISTRICT NO. 1, WARDS NO. 1 AND 2

RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

December 31, 2014

| | | |
|--|------------------|--------------------------|
| Excess of revenues over expenditures | | \$ 70,751 |
| Repayment of certificates of indebtedness | | 115,000 |
| Loss on disposition of capital assets | | (6,000) |
| Interest expense not reported in government fund | | 1,413 |
| Capital assets: | | |
| Capital outlay capitalized | 93,205 | |
| Depreciation expense for year | <u>(120,461)</u> | <u>(27,256)</u> |
| Change in net assets - Governmental Activities | | <u><u>\$ 153,908</u></u> |

The accompanying notes are an integral part of these statements.

SABINE PARISH FIRE PROTECTION DISTRICT NO. 1, WARDS NO. 1 AND 2
FLORIEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

(1) Summary of significant accounting policies

The Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2 was created by the Sabine Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492, for the purpose of providing fire protection within the District. The District is governed by a board of five commissioners appointed by the Police Jury and Village of Florien. The commissioners serve two year terms.

A. Basis of Accounting

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local government entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This Codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2 present information only as to the transactions of the programs of the Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2 as authorized by Louisiana statutes and administrative regulations.

Basis of Accounting refers to when revenues and expenses are recognized in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2 are maintained in accordance with applicable statutory provisions:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting therefore, revenues are recognized in the accounting period in which they are earned and became measurable;

Expense Recognition

Expenses are recognized on the accrual basis, therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. Budgetary Accounting

Formal budgetary accounting is employed as a management control. The Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2's prepares and adopts a budget each year in accordance with the Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The Fund amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

C. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows and consistent with GASB Statement 9, the Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2 defines cash and equivalents as follows:

Cash – includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents – includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments that, at the date of purchase, have a maturity date no longer than three months qualify under the definition.

SABINE PARISH FIRE PROTECTION DISTRICT NO. 1, WARDS NO. 1 AND 2
FLORIEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

D. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectable.

E. Bad debts

Uncollectable accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectability of the particular receivable.

F. Capital Assets

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the Sabine Parish fire Protection District No. 1, Wards No. 1 and 2 is charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Position. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and building improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterment are capitalized.

G. Compensated Absences

Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2 does not have full time employees, therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

H. Restricted Net Position

In the government-wide statements, equity is classified as net position and displayed in three components:

1. Investment in capital assets, net of related debt – consist of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributed to the acquisition, construction, or improvement of those assets;
2. Restricted net position – net position with constraints placed on the use either by a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or b) law through constitutional provisions or enabling legislation;
3. Unrestricted – all other net position is reported in this category.

I. Fund Equality

In the fund financial statements, governmental fund equity is classified as fund balance and displayed in five components:

1. Nonspendable – amounts that cannot be spent wither because they are in nonspendable form or because they are legally or contractually required to be maintained intact;
2. Restricted – amounts constrained to specific purposes by either a) creditors, grantors, contributors, or the laws or regulations of other governments, or b) constitutional provisions or enabling legislation;
3. Committed – amounts constrained to specific purposes by the governmental entity at its highest level of decision-making authority (Board of Commissioners). These amounts cannot be used for any other purposes unless the government takes the same highest level action to remove or change the constraint;
4. Assigned – amounts that do not meet the criteria to be classified as restricted or committed that are intended to be used for specific purposes as established by the Board of Commissioners or its management to which the Board of Commissioners has delegated the authority to assign amounts for specific purposes;
5. Unassigned – all other spendable amounts.

The Board of Commissioners established (and modifies or rescinds) fund balance commitments and assignments by passage of an ordinance or resolution.

SABINE PARISH FIRE PROTECTION DISTRICT NO. 1, WARDS NO. 1 AND 2
FLORIEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

The Commission typically uses restricted fund balances first, followed by committed, assigned and unassigned funds when an expenditure is incurred for purposes for which amounts in any of these fund classifications could be used.

J. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) Cash

For reporting purposes, deposits with financial institutions including savings, demand deposits, time deposits, and certificates of Deposit. Under state law, the Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2 may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Fund may invest in time certificates of deposit of state banks organized under the laws of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

(3) Accounts receivable

The following is a summary of accounts receivable at December 31, 2014:

| | |
|------------------|------------------|
| Ad valorem taxes | <u>\$423,576</u> |
| Total | <u>\$423,576</u> |

(4) Capital assets

A summary of the District's capital assets at December 31, 2014 follows:

| | Land | Vehicles and Equipment | Building Improvements | Total |
|---|-----------------|---------------------------|--------------------------|---------------------|
| Cost of capital assets, beginning of year | \$ 5,500 | \$ 1,600,823 | \$ 389,423 | \$ 1,995,746 |
| Deletions | | (77,806) | - | (77,806) |
| Additions | | 93,205 | - | 93,205 |
| Cost of capital assets, end of year | <u>\$ 5,500</u> | <u>\$ 1,616,222</u> | <u>\$ 389,423</u> | <u>\$ 2,011,145</u> |
| Accumulated depreciation, beginning of year | \$ - | \$ 1,059,810 | \$ 266,258 | \$ 1,326,068 |
| Deletions | | (71,806) | - | (71,806) |
| Additions | | 104,756 | 15,705 | 120,461 |
| Accumulated depreciation, end of year | <u>\$ -</u> | <u>\$ 1,092,760</u> | <u>\$ 281,963</u> | <u>\$ 1,374,723</u> |
| Capital assets, net of accumulated depreciation, end of year | <u>\$ 5,500</u> | <u>\$ 523,462</u> | <u>\$ 107,460</u> | <u>\$ 636,422</u> |

SABINE PARISH FIRE PROTECTION DISTRICT NO. 1, WARDS NO. 1 AND 2
FLORIEN, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014

(5) Long-term Debt

The following is a summary of the long-term debt obligations of the Sabine parish fire Protection District No. 1, Wards No. 1 and 2 for the year ended December 31, 2014:

Certificates of Indebtedness-2009

| Interest Rate | Beginning Balance | Reductions | Ending Balance | Current Amount | Maturity Date |
|------------------|----------------------|-------------------|-------------------|-------------------|------------------|
| 2.50-4.50% | \$ 107,000 | \$ 107,000 | \$ - | \$ - | 3/1/2016 |
| 0% | 8,000 | 8,000 | - | - | 3/1/2014 |
| Total | <u>\$ 115,000</u> | <u>\$ 115,000</u> | <u>\$ -</u> | <u>\$ -</u> | |

(6) Leases

The Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2 was not obligated under any capital or operating lease commitments at December 31, 2014.

(7) Litigation

There was no outstanding litigation against the Sabine Parish Fire protection District No. 1, Wards No.1 and 2 at December 31, 2014.

(8) Compensation paid to Commissioners

In accordance with Louisiana revised Statute 40:1498, members, including police jurors serving ex-officio, may be paid per diem of \$30 for attending board meetings – not to exceed two meetings in one calendar month. Compensation paid in 2014 to the Commissioners follows:

| | |
|-------------------|-------|
| Carroll Ellzey | \$420 |
| Jack Hanke | 360 |
| John Corley | 420 |
| Willis Funderburk | 420 |

EXHIBIT H

SABINE PARISH FIRE PROTECTION DISTRICT NO. 1
WARDS NO. 1 AND 2
FLORIEN, LOUISIANA
OTHER SUPPLEMENTARY INFORMATION
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO
AGENCY HEAD
YEAR ENDED DECEMBER 31, 2014

Agency Head: Carroll Ellzey

| <u>Purpose</u> | <u>Amount</u> |
|----------------|---------------|
| Per diem | \$420 |

OTHER REPORTS REQUIRED BY GOVERNMENT AUDITING STANDARDS

SABINE PARISH FIRE PROTECTION DISTRICT NO. 1, WARDS NO. 1 AND 2
FLORIEN, LOUISIANA

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the year ended December 31, 2014

| | Original Budget | Final Budget | ACTUAL | VARIANCE FAVORABLE (UNFAVORABLE) |
|---|--------------------|-------------------|-------------------|--|
| Revenues: | | | | |
| Taxes | \$ 475,000 | \$ 391,817 | \$ 430,713 | \$ 38,896 |
| State revenue sharing | 18,000 | 23,979 | 23,979 | - |
| Grants | - | - | - | - |
| Interest income | 50 | 54 | 54 | - |
| Other | 17,000 | 20,900 | 27,900 | 7,000 |
| Total revenues | <u>510,050</u> | <u>436,750</u> | <u>482,646</u> | <u>45,896</u> |
| Expenditures: | | | | |
| General government: | | | | |
| Personnel costs | 46,600 | 40,330 | 40,330 | - |
| Occupancy | 39,700 | 40,009 | 40,009 | - |
| Insurance | 40,000 | 43,121 | 43,121 | - |
| Operating services | 281,400 | 60,569 | 75,422 | (14,853) |
| Debt service | | | | |
| Principal | 6,000 | 115,000 | 115,000 | - |
| Interest | - | 4,808 | 4,808 | - |
| Capital outlay | 104,350 | 93,205 | 93,205 | - |
| Total general government | <u>518,050</u> | <u>397,042</u> | <u>411,895</u> | <u>(14,853)</u> |
| Excess (deficiency) of revenues over expenditures | (8,000) | 39,708 | 70,751 | 60,749 |
| Fund balance, beginning of year | <u>522,913</u> | <u>522,913</u> | <u>522,913</u> | |
| Fund balance, end of year | <u>\$ 514,913</u> | <u>\$ 562,621</u> | <u>\$ 593,664</u> | <u>\$ 60,749</u> |

The accompanying notes are an integral part of these statements.

SABINE PARISH FIRE PROTECTION DISTRICT NO. 1, WARDS NO. 1 AND 2
FLORIEN, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2014

CURRENT YEAR FINDINGS

None

PRIOR YEAR FINDINGS

Finding number 2013-01

The District has not been publishing their meeting minutes in the parish newspaper, as required by R.S. 43:171(A).

Recommendation

Minutes should be promptly published as required by law.

Management response

Management has begun publishing minutes.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Directors
Sabine Parish Fire Protection District No. 1, Wards No.1 and 2
Florien, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of Sabine Parish Fire Protection District No. 1, Wards No. 1 and 2, Florien, Louisiana, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 29, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance that is required to be reported under *Government Auditing Standards*.



Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read 'Eugene W. Fremaux II', with a stylized flourish at the end.

EUGENE W. FREMAUX II, CPA
June 29, 2015